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SUBJECT: KRG OPENS NEW REPRESENTATIVE OFFICE IN BAGHDAD

Classified By: Political Counselor Margaret Scobey for  
reasons 1.4 (b) and (d)

¶1. (C) Summary: Dilshad Miran, the head of the newly established Kurdistan Regional Government (KRG) Representation Office in Baghdad, met with PolCouns October 10 to discuss the origins and planned agenda of his new office and its relation with the federal ministries, Peshmerga integration, and Kurdistan Prime Minister Nechriwan Barzani's upcoming visit to Baghdad. End Summary.

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New KRG Office To Improve Relations With Federal Government  
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¶2. (C) Miran explained PM Maliki and KRG President Barzani reached the decision to create a formal KRG representation office in Baghdad during Maliki's previous visit to Kurdistan. Miran, who has resided in Baghdad for some time, emphasized his new office has great support from the Prime Minister and will not act as an embassy, but as a way to strengthen the KRG's ties with the central government. Currently, most federal ministries are not active in Kurdistan because the KRG has their own ministries. Miran stressed the need for the KRG to encourage better dialogue with federal ministries such as Health and Education because he believes these ministries were not ministering adequately to Kurdish-majority areas outside of KRG control. To accomplish this, Miran hopes to eventually have a KRG office in every federal ministry to represent Kurdish interests. He currently has about twenty-five workers, and expects he will need one hundred KRG representatives assigned to his Baghdad office to accomplish this goal. He expects it will be difficult to lure Kurds from Kurdistan to work in Baghdad and he may have to hire locally. Miran added that as a KRG minister, he has direct access to President Barzani. ( NOTE: It is unclear if Miran's new office has KRG Ministry status. END NOTE)

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Peshmerga Still Needed as Security Worsening  
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¶3. (C) On the issue of the Peshmerga, Miran said that the force's mission had to be decided before an agreement could be reached on force numbers and training requirements. Miran opined that the current number of Peshmerga - 120,000 active duty forces and over 70,000 reservists, - will need to be maintained for the near-term to make up for the inadequate federal border forces and provide regional security for the KRG. Miran noted the current Shia-Sunni conflict had been simmering long before 2003 and he and PolCouns agreed all sides in Iraq are focused on looking to the past, i.e., preventing history from repeating itself, but forward-looking leadership is needed. Miran noted President Barzani has tried to reach out to both sides, and to Sunni Arabs in

particular, because Baghdad insecurity still greatly affects Kurdistan.

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KRG PM Coming to Town  
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¶4. (C) According to Miran, KRG PM Nechirvan Barzani planned to visit Baghdad in mid October and Miran expected he would raise the issues of oil, electricity and the budget with Ambassador Khalilzad (NOTE: Nechiran's visit Baghdad has been postponed due frequent travel by other Iraqi leaders. END NOTE). Miran noted Minister of Oil Sharistani's emphasis on short term contracts with foreign investors would hurt the KRG's emphasis on encouraging large foreign investment with long-term contracts. He hopes the Council of Representatives (CoR) recent approval of the investment law will allow more private investment in power stations and elevate the difficulties of importing electricity from abroad. On the GOI budget, Miran complained there is no transparency in the process and the Kurds received only 8-9 percent of the 2006 expected revenue rather than their promised 17 percent.  
KHALILZAD